

ORIGINAL



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Kathleen M. Reidhead  
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2013 DEC -3 A 11: 26

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION  
OF PAYSON WATER CO., INC., AN  
ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE  
OF ITS UTILITY PLANTS AND  
PROPERTY AND FOR INCREASES IN ITS  
WATER RATES AND CHARGES FOR  
UTILITY SERVICE BASED THEREON.

DOCKET NO: W-03514A-13-0111

Arizona Corporation Commission

DOCKETED

DEC 03 2013

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IN THE MATTER OF THE APPLICATION  
OF PAYSON WATER CO., INC., AN  
ARIZONA CORPORATION, FOR  
AUTHORITY TO: (1) ISSUE EVIDENCE  
OF INDEBTEDNESS IN AN AMOUNT  
NOT TO EXCEED \$1,238,000 IN  
CONNECTION WITH INFRASTRUCTURE  
IMPROVEMENTS TO THE UTILITY  
SYSTEM; AND (2) ENCUMBER REAL  
PROPERTY AND PLANT AS SECURITY  
FOR SUCH INDEBTEDNESS.

DOCKET NO: W-03514A-13-0142

MOTION FOR DISCOVERY  
PHASE 2

Intervenor Kathleen M. Reidhead, "KMR" makes this request for Discovery in the Phase 2 portion of the case. As per the Procedural Order issued on September 10, 2013, Document #0000148011, please file any objections to this request within 7 days or any responses within 10 days.

KMR requests the following questions be answered by the Arizona Corporation Commission Staff, "Staff" and data be provided via written interrogatories:

1. What legal proceedings are available for the ratepayers to recover damages, for the loss of the \$755,709 for the Star Valley/Quail Valley plant cost?
2. What is the typical procedure for the Arizona Corporation Commission, "ACC" or "Staff", to take when it becomes aware of an unlawful act such as removal of Company assets?
3. Have those actions been taken?
4. Has the District Attorney been notified of this loss of Company assets? If not, why?

- 1 5. Why was Mr. Robert Hardcastle added to the service list for this case on July 3, 2013, after he was  
2 no longer an officer of PWC?  
3 6. In the Direct Testimony of Jian Liu, Utilities Engineer - Water/Wastewater in the Utilities Division of  
4 the ACC, Mr. Liu states that an ADEQ report noted significant violations in the MdC system<sup>1</sup>. Please  
5 provide a copy of this ADEQ report, dated October 20, 2013. Also noted in his testimony is an  
6 ADWR report that shows PWC is not in compliance with departmental requirements governing  
7 water providers and/or community water systems<sup>1</sup>. Please provide a copy of this ADWR compliance  
8 status report dated October 21, 2013.  
9

10 KMR requests the following questions be answered by Mr. Jason Williamson, President of  
11 Payson Water Company, "PWC", and data be provided via written interrogatories:  
12

- 13 1. How long have you known Mr. Robert Hardcastle and what exactly has that relationship been?  
14 2. Is there any family relationship between Mr. Robert Hardcastle and you?  
15 3. Does Mr. Hardcastle or any of his other business entities still own any remaining shareholder stake  
16 in PWC?  
17 4. Are you and Mr. Hardcastle engaged in any business ventures together?  
18 5. It is noted that, through Brooke Utilities, Mr. Hardcastle acquired the outstanding stock in United  
19 Utilities<sup>2</sup> and C & S Water Company<sup>3</sup> on or about August 8, 1996 from a Mr. Richard S. Williamson.  
20 What is the relationship, if any, between Mr. Richard S. Williamson and you?  
21 6. What specifically does PWC do to monitor/maintain the water system in Deer Creek Village, "DCV"?  
22 Please describe specifically what is involved in delivering the water to the residents of DCV and  
23 provide a detailed description of the costs involved in that delivery. Please provide recent invoices  
24 for the period of 2009 - 2013 that substantiate those costs.  
25

26 Respectfully submitted this 3rd day of December, 2013.  
27

28 By Kathleen M. Reidhead  
29

30 Kathleen M. Reidhead, Intervenor  
31

32 14406 S. Cholla Canyon Dr.  
33

34 Phoenix, AZ 85044  
35

36 **ORIGINAL** and thirteen (13) copies  
37 of the foregoing were filed this 3rd  
38 day of December, 2013 with:

<sup>1</sup> Staff Report dated 11/15/13, Document #0000149555, Page 13 of the Engineering Report by Jian Liu.

<sup>2</sup> As noted in ACC Decision #62401.

<sup>3</sup> As noted in ACC Decision #62320.

1 Docket Control

2 Arizona Corporation Commission

3 1200 W. Washington Street

4 Phoenix, AZ 85007

5  
6 **COPY** of the foregoing was mailed

7 this 3rd day of December, 2013 to:

8  
9 Jay Shapiro (Attorney for Payson Water Co., Inc.)

10 Fennemore Craig P.C.

11 2394 E. Camelback Rd., Suite 600

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14 Robert Hardcastle

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